Full Time Equivalent (FTE) Equation

A. Add number of hours worked by all Part Time employees in a month: ☐

B. Divide by 120 /120

C. Equals the number of Full Time Equivalents the Part Time employee's Hours sum to: ☐

D. List the number of full time employees that work over 30 hours a week: ☐

E. Add to C & D get total FTE for the group ☐

If a group is over 50 FTE they are subject to the Employer Requirement to Provide Coverage. This requires employers with over 50 Full Time equivalent employees to provide "essential minimum coverage" to all full time employees (30 hours or more a week).

If an employer chooses not to offer coverage, they will face a fine of $2,000 for every full-time employee not counting the first 30. (For ie., if an employer has 70 full time employees, the fine would be $((70-30) \times \$2{,}000) = \$80{,}000$. This fine only applies if one of the employees purchases insurance through the exchange and receives a government subsidy.

Groups with under 50 FTE will have no financial penalty if they do not provide coverage.

For more info, visit http://www.dol.gov/ebsa/newsroom/tr12-01.html

For Illustration purposes only, please contact your accountant
and/or lawyer for final guidance.